

**ESD 2014 Request for Proposal
Insurance Brokerage Services
Questions Submitted by Prospective Bidders**

1. Please send the specs.

Response:

The specs are listed in the Request for Proposals for Insurance Brokerage Services. The document is available in www.nyscr.ny.gov or in <http://www.esd.ny.gov/CorporateInformation/RFPs.html>

2. Is there any way to get an extension on the deadline of 10/2/2014?

Response:

The deadline for questions is end of day, October 3, 2014. There is no extension.

3. Please advise:

- a. Name (s) of the carriers at risk, currently (this will help us determine if we have contracts with those markets to assist in pricing our services)

Response:

See addendum for information pertaining to carriers. ESD does not authorize anyone to approach carriers at this time.

- b. The name of the current broker for each line, or the name of the current broker used for all lines

Response:

ESD's current broker is Cool Insuring Agency, Inc. and the current consultant is The Keville Insurance Agency, Inc.

4. With regard to the above captioned RFP for Empire State Development we have the following questions:

- a. Can the Premiums for all policies listed on pages 3 and 4 of the RFP be provided?

Response:

See addendum for information pertaining to carriers. ESD does not authorize anyone to approach carriers at this time.

- b. Who is the current broker and when was the current contract awarded?

Response:

ESD's broker for the last five years is Cool Insuring Agency, Inc.

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- c. What are the agencies current annual construction costs for all projects?

Response:

The annual costs cannot be estimated. However, total remaining construction costs for ESD is approximately \$400 million.

- d. What are the proposed construction costs for the term of this RFP?

Response:

No estimate is currently available.

- e. Does the agency anticipate any additional construction projects not listed in the RFP?

Response:

Additional construction projects are not anticipated at this time; however this is subject to change.

- f. Can the agency provide any loss data for insurance policies listed in the RFP?

Response:

We are looking to procure broker services; we are not looking for quotes, therefore we are not providing loss runs at this time.

- g. What is the actual due date of the response?

Response:

Due date for responses has been extended to 3:00PM on October 29, 2014.

5. What has prompted the release of the RFP? Are there any issues with the current vendor or is this something that is required?

Response:

ESD is required to competitively solicit proposals, as its current insurance broker contract is expiring on February 28, 2015.

6. Cool Insuring Agency was awarded the contract at a flat fee. Is the fee still the same?

Response:

The current contract fee remains the same as initially awarded.

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7. What is the MWBE participation requirement for this contract? Please clarify the specific percentages required for this contract.

Response:

The Minority-owned Business Enterprise (MBE) participation requirement for this contract is 15% of the contract value.

The Women-owned Business Enterprise (WBE) participation requirement for this contract is 10% of the contract value.

The combined MBE and WBE participation requirement, also known as the OVERALL MWBE GOAL, is 25% of the contract value.

As an example, if the contract value is \$100, then the MBE participation should equal no less than \$15 and the WBE participation should equal no less than \$10. The two combined shall comprise the OVERALL participation of \$25 (or 25%).

8. Please note the following questions to the RFP:
- a. Is the General Liability and Pollution deductible of \$100,000 a true deductible or retention? My assumption is deductible, but I want to be sure. If retention, who is the TPA and are there any special requirements for ESD?

Response:

The deductible is a true deductible. There are no TPA services required.

- b. Are there any special requirements for legal counsel?

Response:

There are no special legal requirements with respect to the broker services included in the scope of this RFP.

- c. Other than outlined in the RFP, are there existing Claims, Loss Control and/or online services currently provided that ESD would like continued or areas requiring additional support?

Response:

No, however ESD welcomes a listing of ancillary services that your firm offers that are either included in the proposed fee or at an additional charge.

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- d. Why is the D&O limit different for the NY Job Development Authority (\$5 mil) versus Corporate (\$3 mil)?

Response:

This was a business decision.

- e. Will we get an opportunity to review existing policies, rating/exposure basis and services to use for benchmark purposes?

Response:

No. ESD is seeking proposals for innovative broker services and solutions. ESD is not soliciting premium quotations at this time.

- f. In regards to references, do all need to be strictly governmental/public entity or real estate- or are other references of value, such as a large Community College?

Response:

References should be for projects and operations similar in nature, to those of ESD.

9. Below is Empire State Insurance Brokerage Services RFP Questions:

- a. What is the current compensation arrangement, a flat fee paid by Empire or commission percentage paid through insurance carrier?

Response:

The current contract compensation arrangement is a flat fee.

- b. What is the annual dollar amount of compensation paid to current vendor?

Response:

The current annual contract fee remains the same as initially awarded.

- c. Is there a MBE and/or WBE company currently working on this contract? If yes, what is the name of the company(s), percent (%) of the work and dollar amount earned annually?

Response:

There are currently two New York State certified MWBE subcontractors

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identified in relation to this contract providing business services similar to copying / printing services and risk assessment services.

To identify potential subcontractors in relation to this procurement or your proposal, please visit the State's MWBE Directory of certified firms available at <https://ny.newnycontracts.com>. Should you need additional assistance in identifying potential subcontractors, please contact ESD's Office of Contractor and Supplier Diversity at ocsd@esd.ny.gov.

- d. Does the Empire State have a preferred structure for compensating the selected broker for their consulting services rendered, i.e. flat fee paid monthly vs. commission?

Response:

ESD is open to all options.

- e. Is there anything you would like the new vendor to do differently, improvements and/or provide additional services?

Response:

ESD is seeking proposals for innovative broker services and solutions.

- f. Does your current insurance carrier(s) offer loss control services? If so, please identify.

Response:

Loss control services from the carriers are available for Property and General Liability lines.

- g. Loss History – Please provide some clarification on the loss history to include the historical deductible structure and application of losses that contributed to the aggregate.

Response:

We are looking to procure broker services; we are not looking for quotes, therefore we are not providing loss runs at this time.

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- h. Is the RFP in response to new or unmet needs of Empire on its program or is this a part of the regularly scheduled RFP cycle?

Response:

The RFP is part of the regularly scheduled RFP cycle.

- i. In the event that there are two proposals with comparable technical capability and pricing; however, one proposal has meaningful MBE participation and one does not, which proposal will receive more favorable scoring in the evaluation process?

Response:

The evaluation and scoring of proposals, as outlined in section IX of the RFP, does not include Minority and/or Women Business Enterprise participation as a factor in this solicitation.

- j. We note that in Section XIII---Part 9 Non-Discrimination and Contractor & Supplier Diversity Requirements (Page 15), states the overall goal of 25% for MWBE participation. However, upon reviewing of the proposal scoring criteria, we do not see a percentage assigned to meaningful MWBE participation. Can you please provide us insight on the importance of Empire State's desire to obtain contract diversity on this particular engagement?

Response:

MWBE participation is not an evaluation criterion for this particular procurement.

ESD will work with the selected contractor towards the inclusion of MBE and WBE firms in this procurement as circumstances allow. ESD aims to achieve and exceed its MWBE participation goals on all qualifying procurements.

10. We noted Empire is seeking 15% MBE and 10% WBE, would the proposer be disadvantaged by assigning 25% or more to one MBE company, versus hiring two separate companies, one MBE (x)% and one WBE(y)%?

Response:

Empire State Development strongly encourages the inclusion and participation of both Minority and Women-owned Business Enterprises (MWBEs) where reasonably feasible within the scope of this procurement. If the Contractor has reasonable grounds for the selection of a single M/WBE firm that would fulfill the overall

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participation goal, the Contractor may seek a waiver of the MBE or WBE goals. This is acceptable provided that the Contractor has made Good Faith Efforts to include both MBE and WBE firms in the project and that such Good Faith Efforts are demonstrable to the satisfaction of Empire State Development.

11. Under Section V (Requirements), item # 8, the requirements stipulates, “provide a copy of your firm’s most recent audited financial statement”. As a general business practice due to the private family owned nature of our ownership, we do not release audited financials. Would ESD consider a waiver to this requirement? We have the means and wherewithal to provide the services required in the proposal.

Response:

No, we require the most recently audited financial statements, but of course, all audited financial statements will be held confidential.

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**ADDENDUM
ADDITIONAL INSURANCE CARRIER INFORMATION**

NYS URBAN DEVELOPMENT CORP dba EMPIRE STATE DEVELOPMENT				
LINE OF BUSINESS	CARRIER	EFFECTIVE	EXPIRATION	PREMIUM
PKG- General Liab	Philadelphia	2/28/2014	2/28/2015	\$150,960
PKG- Automobile	Philadelphia	2/28/2014	2/28/2015	\$9,450
Property/Inland Marine	Hartford	2/28/2014	2/28/2015	\$27,298
Workers Compensation	Hartford	2/28/2014	2/28/2015	\$91,677
Umbrella Liability	Philadelphia	2/28/2014	2/28/2015	\$58,298
Excess Liability	Admiral	2/28/2014	2/28/2015	\$18,165
D & O with EPL	National Union	2/28/2014	2/28/2015	\$117,907
Crime	Great American	2/28/2014	2/28/2015	\$7,900
NY JOB DEVELOPMENT AUTHORITY (BALANCE UNDER UDC/ESD)				
LINE OF BUSINESS	CARRIER	EFFECTIVE	EXPIRATION	PREMIUM
D & O with EPL	National Union	10/11/2013	10/11/2014	\$17,423
VICTORIA THEATER - HARLEM COMMUNITY DEVELOPMENT CORP (BALANCE -SEE UDC/ESD)				
Property - Vacant Building	US Underwriters Ins Co	5/1/2014	5/1/2015	\$12,517
MOYNIHAN STATION DEVELOPMENT CORP & EMPIRE STATE DEVELOPMENT CORP				
LINE OF BUSINESS	CARRIER	EFFECTIVE	EXPIRATION	PREMIUM
Property	Affiliated FM	3/30/2014	3/30/2015	\$563,098
General Liability	Chubb	3/30/2014	3/30/2015	\$176,963
Excess Liability	Chubb	3/30/2014	3/30/2015	\$52,537
MOYNIHAN STATION DEVELOPMENT CORP PROJECT POLICIES				
LINE OF BUSINESS	CARRIER	EFFECTIVE	EXPIRATION	PREMIUM
Professional Liab	Lexington	2/17/2011	2/17/2018	\$4,593,123
Owners Interest Phase I - Renovation				
General Liability	Colony Ins	6/14/2012	6/14/2015	\$167,250
Excess Liab #1	Mt Hawley	6/14/2012	6/14/2015	\$175,000
Excess Liab #2	Navigators	6/14/2012	6/14/2015	\$125,000
Owners Interest Phase I B - Corridor				
General Liability	Colony Ins	7/1/2013	5/1/2016	\$71,075
Excess Liab	Mt Hawley	7/1/2013	5/1/2016	\$42,000

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ERIE CANAL HARBOR DEVELOPMENT CORP PROJECT POLICIES (BALANCE UNDER UDC/ESD)				
LINE OF BUSINESS	CARRIER	EFFECTIVE	EXPIRATION	PREMIUM
Builder's Risk -Inner Harbor Phase 3A	Hartford	7/23/2013	7/23/2015	\$58,687
Premise Pollution - NYPA Conveyance	Great American	4/13/2012	4/13/2015	\$31,171
NY CONVENTION CENTER DEVELOPMENT CORP - PROJECT POLICIES IN FORCE				
LINE OF BUSINESS	CARRIER	EFFECTIVE	EXPIRATION	PREMIUM
Builders Risk	Hartford	12/15/2013	10/31/2014	\$163,897
General Liability	National Union	4/23/2010	10/31/2014	\$4,177,737
Pollution Liability	Chartis	6/7/2010	10/31/2014	\$601,793
Umbrella -Primary Layer	Chartis	4/23/2010	10/31/2014	\$789,750
Excess Liability #2	Navigators	4/23/2010	10/31/2014	\$206,072
Excess Liability #3	Axis	4/23/2010	10/31/2014	\$151,300
Excess Liability #4	RSUI	4/23/2010	10/31/2014	\$96,375
LOWER MANHATTAN DEVELOPMENT CORP - SITE POLICY RE F/K/A 130 LIBERTY ST				
LINE OF BUSINESS	CARRIER	EFFECTIVE	EXPIRATION	PREMIUM
Pollution Liability	XL- Indian Harbor Ins Co	9/15/2014	9/15/2016	\$22,264